

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF AT&T COMMUNICATIONS)
OF THE SOUTH CENTRAL STATES, INC. FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 8935
NECESSITY TO PROVIDE TELEPHONE COMMON)
CARRIER SERVICE)

O R D E R

On January 19, 1984, AT&T Communications of the South Central States, Inc., ("ATTCOM") filed a Petition for Reconsideration renewing its request to be granted authority to offer statewide WATS. Such action would require the Commission to grant ATTCOM additional authority, since the Certificate of Public Convenience and Necessity granted in the December 29, 1983, Order permitted ATTCOM to serve on an interlata basis only. The issue of whether to permit interlata and/or intralata competition is currently under consideration in Administrative Case No. 273, An Inquiry into Inter- and Intra-Lata Intrastate Competition in Toll and Related Services Markets in Kentucky.

ATTCOM raises the issue of whether South Central Bell Telephone Company ("SCB") can continue to provide WATS and 800 service jointly with ATTCOM or under a revenue-sharing arrangement without violating provisions of the Modified Final Judgment ("MFJ"). With respect to 800 service, or INWATS, U. S. District

Judge Harold Greene granted a waiver from the MFJ restrictions on December 22, 1983. On December 30, 1983, BellSouth requested a waiver that would allow SCB to continue provision of OUTWATS under a single usage rate schedule and common access line for both interlata and intralata WATS services. The U. S. Department of Justice has indicated that it would consider supporting a waiver of short duration. The matter of these waivers is now before Judge Greene.

On February 3, 1984, SCB filed its Response to ATTCOM's petition claiming that its continued provision of both INWATS and OUTWATS service in Kentucky was limited to intralata service and, therefore, was in compliance with the MFJ. However, to the extent that any MFJ compliance issues exist, SCB favored maintaining the status quo pending a decision by Judge Greene.

In light of the uncertainty concerning MFJ compliance and the imminent decision which will resolve that issue, the Commission hereby ORDERS that the Petition for Reconsideration be granted for the limited purpose of confirming whether the existing arrangement for the provision of WATS services can be maintained in keeping with the MFJ or a waiver therefrom.

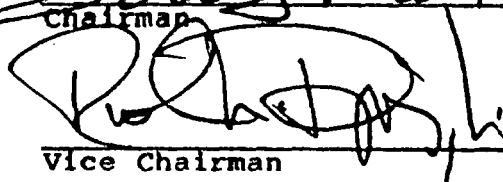
IT IS FURTHER ORDERED that the Commission reserves the right to affirm its December 29, 1983, Order.

IT IS FURTHER ORDERED that ATTCOM shall file Judge Greene's decision with the Commission upon ATTCOM's receipt thereof.

Done at Frankfort, Kentucky, this 8th day of February,
1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary